

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

THE APPLICATION OF BEREA COLLEGE,)	
BEREA, MADISON COUNTY, KENTUCKY,)	
FOR A CERTIFICATE OF PUBLIC CON-)	CASE NO. 8262
VENIENCE AND NECESSITY)	

O R D E R

Preface

On June 19, 1981, Berea College filed with this Commission a duly verified application seeking a certificate of public convenience and necessity authorizing major repairs to three reservoir dams located in southwestern Madison County on Upper Silver Creek, Lower Silver Creek and Cowbell Hollow. The application stated that any rate adjustments necessitated by servicing of the debt incurred by this work would be requested at a future date.

A hearing was held on October 6, 1981, in the offices of the Public Service Commission in Frankfort, Kentucky.

The Commission notes with approval the contributions in aid of construction of \$7,293 in hauling work by the D.H. Campbell Company, \$48,135 in equipment rental by the Whayne Supply Company and \$47,453 of on-site work by the Falcon Coal Company. The Commission commends these companies for their enlightened public service.

Findings in This Matter

The Commission, after a review of the record, finds that:

(1) The plans and specifications for the proposed projects have been approved by the Division of Water of the Kentucky Department for Natural Resources and Environmental Protection. The proposed construction is the minimum repair work required to bring three water impoundment structures into compliance with the current dam safety standards in KRS 151. The low bids for these projects are \$31,021 for Upper Silver Creek, \$203,474 for Lower Silver Creek and \$98,874 for Cowbell Hollow, a total of \$333,369. All costs, including contingencies, design fees, legal fees, administrative costs, land acquisition and work by Berea College employees, amount to approximately \$672,640.

(2) These projects are required under KRS 151 and their scope, plans and specifications have been approved by the appropriate state and federal agencies. The dams and reservoirs are utility property that is essential to the health and welfare of residents of the area as a source of water. The Commission, therefore, finds that public convenience and necessity require that the projects be accomplished in accordance with the proposals of Berea College.

(3) Berea College has estimated it will borrow approximately \$500,000 to finance the proposed projects. The remaining capital requirements of \$172,640 will be provided by internal funds and contributions in aid of construction. Initially, Berea College will finance this construction with short-term debt

maturing in less than 2 years. It is anticipated, however, that it will seek approval of long-term borrowing in a future proceeding before the Commission.

(4) Berea College should furnish the Commission with duly verified documentation of the total cost of the three projects addressed herein including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that the projects are substantially completed.

(5) The contract between Berea College and the engineer should require the engineer to provide general engineering supervision and full-time resident inspection under his supervision to insure that the contractor's work conforms to the best practices of the trades involved and is done in accordance with the contract plans and specifications.

(6) Within 60 days of the date of substantial completion of these projects, Berea College should require the engineer to certify to the Commission that the projects were satisfactorily completed in accordance with the contract plans and specifications.

Orders in This Matter

The Commission, on the basis of the matters hereinbefore set forth and the evidentiary record in this case:

HEREBY ORDERS That Berea College be and it is hereby granted a certificate of public convenience and necessity for the proposed repair work to Upper Silver Creek Dam, Lower Silver

Creek Dam and Cowbell Hollow Dam as required to bring these structures into compliance with the current dam safety standards in KRS 151.

IT IS FURTHER ORDERED That Berea College shall file with this Commission duly verified documents which show the total cost of the projects herein certificated including all capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that the projects are substantially completed.

IT IS FURTHER ORDERED That the contract between Berea College and the engineer shall require the engineer to provide general engineering supervision and full-time resident inspection under his supervision to insure that the contractor's work conforms to the best practices of the trades involved and is done in accordance with the contract plans and specifications.

IT IS FURTHER ORDERED That Berea College shall require the engineer, within 60 days of substantial completion of the proposed projects, to furnish this Commission with a certification that the work addressed herein has been satisfactorily completed in accordance with the contract plans and specifications.

Done at Frankfort, Kentucky, this 28th day of October, 1981.

PUBLIC SERVICE COMMISSION

Martin M. Voh
Chairman

Katherine Bendall
Vice Chairman

Jim Carnegie
Commissioner

ATTEST:

Secretary